

ELLEN OGAIAN, INDIVIDUALLY AND ON BEHALF OF
ALL OTHER PERSONS SIMILARLY SITUATED V.
CHRISTMAS TREE SHOPS, INC.,
CIVIL ACTION NO. 12-1273
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

To: Certain Present and Former Department Managers at Christmas Tree Shops, Inc.

Re: Settlement of Class Action Lawsuit

Date: February 28, 2014

SUMMARY OF CLASS ACTION SETTLEMENT

What is The Lawsuit About and Why Was This Notice Sent?

A former Department Manager at Christmas Tree Shops, Inc. (referred to herein as “Christmas Tree”) filed a lawsuit against Christmas Tree alleging that she should have been classified as a non-exempt employee and that she was entitled to overtime pay for hours worked in excess of 40 hours per week (the “Lawsuit”). Christmas Tree denies that it violated the law in any way. Christmas Tree has decided to settle the Lawsuit to avoid the continued distraction that it would create from its ability to operate its business. The attached Notice tells you about your rights and responsibilities under the proposed Settlement. *See further details on page 2 of the Official Notice, which follows this Summary.*

Who is Affected by The Proposed Settlement?

You are receiving this Notice because records show that you were a Department Manager during the relevant time periods stated in the Notice, which means you may be eligible to receive money from this Settlement.

See further details on pages 2-4 of the Official Notice.

What Are Your Options?

You can choose to: (1) participate in the Settlement and receive money from the Settlement Fund by filing a Consent to Join and Claim Form; (2) do nothing and receive no money from the Settlement; (3) request to be excluded from the Settlement and receive no money from the Settlement; or (4) object to the Settlement. *See further details on pages 6-8 of the Official Notice.*

How Much Can You Expect to Receive and How Can You Participate in the Settlement?

If the Settlement is approved, Christmas Tree will pay a total of \$1,340,000.00 into a Settlement Fund. After subtracting the costs related to the Settlement, including attorneys’ fees and costs for the lawyers representing the plaintiff class, the remaining money in the Settlement Fund will be allocated so that each eligible class member will be entitled to claim a share of the Settlement based on his or her actual full weeks worked as a salaried Department Manager as compared with other eligible class members during the relevant time periods. **Any eligible class member who makes a timely and valid claim will receive his or her share of the Settlement. The estimated amount of money you will receive if you join the Lawsuit is \$[ESTIMATED], as explained on page 2 of**

the enclosed Consent to Join and Claim Form. If you return the enclosed “Consent to Join and Claim Form” postmarked by **July 7, 2014** and the Court approves the Settlement, you will receive a monetary award, as set forth above. *See further details on pages 4-6 of the Official Notice and on page 2 of the Consent to Join and Claim Form.*

What if You Do Nothing or Exclude Yourself from the Settlement?

If you do not return the “Consent to Join and Claim Form” enclosed with this Notice, you will not receive any money from the Settlement. In addition, if you do not submit a Request for Exclusion, you will have released and waived any right to bring a similar lawsuit under state law. You may still have the right under federal law to file a separate complaint, but you will not receive any money from this Settlement. *See further details on page 6 of the Official Notice.*

You may entirely exclude yourself from the Settlement by submitting a “Request for Exclusion.” If you exclude yourself from the Settlement, you will not receive any money from the Settlement, but you will retain the right to assert any claims you may have against Christmas Tree relating to the payment of wages or hours of work by filing a separate complaint if your claims remain timely under the applicable statute of limitations. *See further details on pages 6-8 of the Official Notice.*

No Retaliation

Christmas Tree will not take any action against employees who join the Lawsuit or participate in the. *See further details on page 6 of the Official Notice.*

What if You Have Questions?

The attached Notice only summarizes this Lawsuit, the Settlement, and related matters. For more information about the Settlement or if you have any questions regarding the Settlement, you may examine the Court file for the Lawsuit, contact the Settlement Administrator or contact the attorneys representing the plaintiff class. The following is the contact information for the attorneys representing the plaintiff class:

KLAFTER OLSEN & LESSER LLP

Seth R. Lesser, Esq.
Fran L. Rudich, Esq.
Michael J. Palitz, Esq.
Two International Drive, Suite 350
Rye Brook, New York 10573
Tel: (914) 934-9200
www.klafterolsen.com

HEPWORTH, GERSHBAUM & ROTH PLLC

Marc Hepworth, Esq.
Charles Gershbaum, Esq.
David Roth, Esq.
192 Lexington Avenue, Suite 802
New York, New York 10016
Tel: (212) 545-1199
www.hgrlawyers.com

See further details on page 8 of the Official Notice.

**THE OFFICIAL COURT NOTICE WITH FURTHER
DETAILS IMMEDIATELY FOLLOWS THIS SUMMARY**

ELLEN OGAIAN, INDIVIDUALLY AND ON BEHALF OF
ALL OTHER PERSONS SIMILARLY SITUATED V.
CHRISTMAS TREE SHOPS, INC.,
CIVIL ACTION NO. 12-1273
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

OFFICIAL COURT NOTICE OF SETTLEMENT OF CLASS ACTION

To: Certain Present and Former Department Managers at Christmas Tree Shops, Inc.

Re: Settlement of Class Action Lawsuit

Date: February 28, 2014

INTRODUCTION

- The parties have reached a proposed agreement to settle this class action lawsuit. Please read this Notice carefully. It contains important information about your rights concerning the class action Settlement described below.
- As described more fully below, to participate in the Settlement, you must submit a properly completed, timely and valid Consent to Join and Claim Form to the Settlement Administrator that must be postmarked or received no later than July 7, 2014. If you fail to submit a properly completed, timely and valid Consent to Join and Claim Form, you will receive no money from the Settlement.
- You also may exclude yourself from the Settlement by mailing a written, signed statement to the Settlement Administrator that you wish to be excluded from the Settlement. To be effective, any such opt-out notice must be received no later than May 14, 2014. If you do not notify the Settlement Administrator in writing by that date that you wish to be excluded from the Settlement, you will be bound by the terms of the Settlement, whether or not you submit a Consent to Join and Claim Form.
- The law prohibits retaliation against current or former employees who participate in settlements. **Christmas Tree will not retaliate against any class members who participate and encourages current employees to participate in the Settlement.**

IMPORTANT DEADLINES:

- Deadline to opt out or to object to the Settlement: must be received by May 14, 2014
- Deadline to submit Consent to Join and Claim Form: must be postmarked or received by July 7, 2014.

This Notice explains the class action lawsuit and the terms of the Settlement and explains your rights and obligations. The Notice is not intended to be and should not be understood as an

expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by the parties. The Notice contains information about the following topics:

1. What is the Lawsuit About and Why Was This Notice Sent?
2. Who is Affected by the Proposed Settlement?
3. What Are Your Options?
4. What Are The Terms of The Proposed Settlement and How Much Can You Expect to Receive?
5. Who Represents The Parties and How Will Attorneys for The Class Get Paid?
6. How Can You Participate in the Settlement?
7. What If You Do Nothing?
8. No Retaliation
9. How Can You Exclude Yourself or Opt-Out of The Settlement?
10. How Can You Object?
11. What if You Have Questions?

1. What is The Lawsuit About and Why Was This Notice Sent?

A former Department Manager of Christmas Tree Shops, Inc. (referred to herein as “Christmas Tree”) filed a lawsuit against Christmas Tree, alleging that certain Department Managers should have been but were not paid proper overtime wages for weeks in which they worked more than 40 hours (the “Lawsuit”). The Lawsuit alleges that Christmas Tree misclassified Department Managers as “exempt” from federal and state overtime pay requirements. The Lawsuit further alleges that, because Department Managers should have been treated as non-exempt hourly employees, Department Managers should have received additional wages for overtime.

Christmas Tree denies the Lawsuit’s allegations, asserts that it has at all relevant times properly classified its Department Managers, and asserts that its pay practices with respect to all Department Managers have complied with all legal requirements.

The Lawsuit is pending before The Honorable Paul A. Crotty in the United States District Court for the Southern District of New York. After litigating the case for over a year and engaging in discovery and extensive negotiations, the parties have reached a proposed Settlement of all claims. The Court has granted preliminary approval of the Settlement and has scheduled a hearing on June 4, 2014 at 3 p.m. at the United States Courthouse in New York, New York to determine whether to grant final approval. The Court has not ruled on the merits of the Lawsuit. This Notice tells you about your rights and responsibilities under the proposed Settlement.

2. Who is Affected by The Proposed Settlement?

The proposed Settlement affects individuals who worked for Christmas Tree as Department Managers during certain periods of time and who were classified as exempt employees while Department Managers.

The Court has conditionally certified, for settlement purposes only, the following classes:
FEDERAL CLASS: The federal class consists of all individuals who have worked anywhere in the United States for Christmas Tree as Department Managers within the three years prior to the

date the Court grants preliminary approval of the Settlement and who, as Department Managers, were classified as exempt employees.

STATE CLASS: The state class consists of all individuals who have worked for Christmas Tree as Department Managers in Alabama, Connecticut, Delaware, Florida, Georgia, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont, and/or Virginia and who, as Department Managers, were classified as exempt employees by Christmas Tree, and who do not request to be excluded from the Settlement.

You must have worked as a Department Manager in one of these states during the time-periods indicated below to be eligible to participate in the Settlement:

On or after January 30, 2011	Alabama Connecticut Delaware Georgia Indiana Massachusetts	Michigan New Hampshire New Jersey North Carolina Ohio Pennsylvania	Rhode Island South Carolina Texas Vermont Virginia
On or after January 16, 2011	Maryland		
On or after January 30, 2009	Florida Kentucky		
On or after January 30, 2008	Maine		
On or after February 21, 2006	New York		

You can be in either the Federal Class, the State Classes, *or both*, and, if so, you can take part in the Settlement by returning a Consent to Join and Claim Form by July 7, 2014. If you do not return the Consent to Join and Claim Form, you may nevertheless be a member of the State Classes and, if so, your rights will be affected if the Settlement is approved by the Court and you will not receive payment from the Settlement. See the “What If You Do Nothing” section, below.

3. What Are Your Options?

You have four options with regards to this Settlement. You can:

- (1) Participate in the Settlement by filing a Consent to Join and Claim Form;
- (2) Do nothing;
- (3) Request to be excluded from the Settlement; or
- (4) Object to the Settlement.

Details about how each option would affect your rights are explained below.

4. What Are The Terms of The Proposed Settlement and How Much Can You Expect to Receive?

If the Settlement is approved, Christmas Tree will pay \$1,340,000.00 (“Settlement Amount”) into a fund. This fund will pay Class Counsel’s fees and litigation costs, the cost of settlement

administration, the full amount of both the participating class members' W-2 tax withholdings (and state/local withholdings if applicable) and any employer share of payroll taxes on back wage payments made to participating claimants, and service payments to the named plaintiff and one other Department Manager who joined this Lawsuit prior to the Settlement.

After these deductions, the remaining amount will be available for distribution among eligible members of the Settlement Classes who submit properly completed, valid, and timely Consent to Join and Claim Forms. Each eligible person who returns a properly completed, timely and valid Consent to Join and Claim Form will receive an amount that will be determined pro rata based upon the total number of weeks you worked as a Department Manager during the relevant time period. The amount you will receive from the Settlement will be determined by taking the total number of full weeks that you worked, dividing that number by the total number of full weeks worked by all Settlement Class members, and multiplying the calculated fractional number by the Net Settlement Amount.

If you believe the Consent to Join and Claim Form inaccurately reflects the number of full weeks you worked, you may indicate your disagreement on the Consent to Join and Claim Form itself, but if you do so, you must also provide pay-stubs or other documentation supporting your claim. The Administrator's decision will be final.

The period covered by the Settlement for you is at least three years prior to the date the Court grants preliminary approval through the date of January 30, 2014, and begins earlier if you worked in a Christmas Tree store in Alabama, Connecticut, Delaware, Florida, Georgia, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont and/or Virginia as indicated by the commencement period set forth in the state chart above.

Once all timely and valid claims are paid out of the Settlement Fund, and after the payment of the costs of administering the settlement, attorneys' fees and costs of litigation, and any service awards to the original plaintiff and one Department Manager who joined the Lawsuit prior to the Settlement, there may be money left over. If so, the parties have agreed, subject to the Court's approval, that fifty percent (50%) of any remaining unclaimed funds will be distributed to a charitable organization approved by the Court, and 50% will be returned to Christmas Tree.

5. Who Represents the Parties and How Will The Attorneys for the Class Get Paid?

Attorneys for Plaintiffs & the Settlement Classes:

KLAFTER OLSEN & LESSER LLP

Seth R. Lesser, Esq.
Fran L. Rudich, Esq.
Michael J. Palitz, Esq.
Two International Drive, Suite 350
Rye Brook, New York 10573
Tel: (914) 934-9200
www.klafterolsen.com

HEPWORTH, GERSHBAUM & ROTH PLLC

Marc Hepworth, Esq.
Charles Gershbaum, Esq.
David Roth, Esq.
192 Lexington Avenue, Suite 802
New York, New York 10016
Tel: (212) 545-1199
www.hgrlawyers.com

Class Counsel will apply to the Court for legal fees and costs of the litigation of no more than thirty-three percent (33%) of the total Settlement amount. Class Counsel will also request service awards of no more than \$7,500 for Ms. Ogaian and \$5,000 for Mr. Garrido. The costs of notice and administration of the Settlement will be deducted from the total Settlement. The actual amounts awarded will be determined by the Court to ensure that the amount of attorneys' fees, costs and service awards are reasonable.

Attorneys for Defendant are:

Jonathan L. Sulds, Esq.
Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
Tel: (212) 801-9200
www.gtlaw.com

6. How Can You Participate in the Settlement?

If you properly complete and return the enclosed "Consent to Join and Claim Form" by **July 7, 2014** and the Court approves the Settlement, you will receive a monetary award, as set forth above. You should obtain proof of mailing of your completed Consent to Join and Claim Form.

A copy of the Consent to Join and Claim Form is enclosed with this Notice and may also be obtained by contacting the Settlement Administrator listed below or by downloading it from www.gcginc.com/cases-info/ChristmasTree/. The address of the Settlement Administrator appears at the end of this Notice.

7. What if You Do Nothing?

Individuals who do not return the "Consent to Join and Claim Form" enclosed with this Notice or who submit a Request for Exclusion from the Settlement will not receive any money from the Settlement.

If you are a member of the State Classes and do not submit a Request for Exclusion, you will be deemed to have released and waived any claims during the Relevant Period applicable to you under state or local laws that were alleged or that could have been alleged based on the facts set forth in the Lawsuit, once the Court approves the Settlement and that approval becomes final. You may still have the right to bring a lawsuit asserting such claims under federal law, if the deadline to file such a claim has not already expired.

8. No Retaliation

Your decision whether or not to submit a Consent to Join and Claim Form will in no way affect your employment with Christmas Tree. Christmas Tree is prohibited by law from taking any action against employees who join the Lawsuit or participate in the Settlement, and is encouraging current employees to participate in the Settlement.

9. How Can You Exclude Yourself or “Opt-Out” of The Settlement?

If you are a member of the State Classes described above (meaning you worked as a Department Manager in a Christmas Tree store in a state during the period indicated in section 2, above), you may exclude yourself from the Settlement by submitting a “Request for Exclusion” to the Settlement Administrator. If you exclude yourself, you will not participate in these proceedings, nor will you receive any money from the net Settlement Fund, but you will retain the right to assert any claims you may have against Christmas Tree relating to the payment of wages for hours of work if the statute of limitations to file such a claim has not expired.

To exclude yourself from the State Classes, you must submit a Request for Exclusion from the Settlement Class, in writing to the Settlement Administrator, so that it is received no later than **May 14, 2014**. Your Request for Exclusion must include your name and address, and must state: (1) that you are requesting to be excluded from the Parties’ Settlement in the case entitled, *Ellen Ogaian, Individually and on Behalf of All Other Persons Similarly Situated v. Christmas Tree Shops, Inc.*, No. 12-cv-1273; and (2) that you understand that by excluding yourself from the Settlement, you will receive no funds in conjunction with the settlement of this Lawsuit.

10. How Can You Object?

You may object to the Settlement, including the request for attorneys’ fees, costs, and service payments, by following the instructions below. You may do so even if you submit a Consent to Join and Claim Form to participate in the Settlement. You may not object to the Settlement if you exclude yourself from the State Classes by submitting a timely and valid Request for Exclusion.

In order to object to the Settlement, you must file a copy of your written objection with the Court at the United States Courthouse, 500 Pearl Street, New York, New York 10007, and mail a copy of your written objection to legal counsel for the parties identified above so that it is received no later than May 14, 2014. Any written objection must be signed and it must state each specific reason in support of your objection and any legal support for each objection. ***OBJECTIONS WILL NOT BE ACCEPTED OVER THE TELEPHONE SO PLEASE DO NOT TELEPHONE THE COURT.***

If you submit a timely objection, you may also appear, at your own expense, at the Final Approval Hearing. However, to be heard at the Final Approval Hearing, you must first submit a “Notice of Intention to Appear at the Final Approval Hearing” – which is currently set for June 4, 2014 at 3 p.m., at the United States Courthouse, Southern District of New York, 500 Pearl Street, New York, New York 10007. You can represent yourself or appear through your own attorney, at your own cost. To do so, you or your attorney must also file a “Notice of

Appearance” with the Clerk of the United States District Court, Southern District of New York, and deliver copies to the attorneys for the parties listed above, no later than May 14, 2014.

IF YOU INTEND TO OBJECT TO THE SETTLEMENT AND/OR FEE AND EXPENSE REQUEST, BUT NONETHELESS STILL WISH TO RECEIVE YOUR SHARE OF THE NET SETTLEMENT FUNDS, YOU MUST COMPLETE AND TIMELY FILE YOUR CONSENT TO JOIN AND CLAIM FORM AS STATED ABOVE.

OTHERWISE, IF THE COURT APPROVES THE SETTLEMENT AND YOU HAVE NOT SUBMITTED A TIMELY CONSENT TO JOIN AND CLAIM FORM, YOU WILL NOT RECEIVE ANY PROCEEDS FROM THE SETTLEMENT, DESPITE YOUR OBJECTION OR ANY OTHER OBJECTIONS.

11. What if You Have Questions?

This Notice only summarizes this Lawsuit, the Settlement, and related matters. For more information about the Settlement or if you have any questions regarding the Settlement, you may examine the Court file for the Lawsuit, contact the Settlement Administrator or contact Class Counsel.

In order to see the complete court file, including a copy of the settlement agreement, you should visit the Clerk of the Court, United States Courthouse, 500 Pearl Street, New York, New York 10007. The Clerk will make all files relating to this Lawsuit available to you for inspection and copying at your expense.

You can contact Class Counsel at the address or numbers listed in section 5, above. You may also obtain additional information concerning the Settlement from www.gcginc.com/cases-info/ChristmasTree/ or by contacting the Settlement Administrator at:

Claims Administrator
c/o The Garden City Group, Inc.
P.O. Box 10449
Tallahassee, FL 32302-2449
855-720-6307

Do not contact the Court about this matter.

Dated: February 28, 2014